

MINUTES

**MONTANA SENATE
58th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN DALE MAHLUM**, on February 24, 2003 at 8:42 A.M., in Room 422 Capitol.

ROLL CALL

Members Present:

Sen. Dale Mahlum, Chairman (R)
Sen. Mike Sprague, Vice Chairman (R)
Sen. Sherm Anderson (R)
Sen. Vicki Cocchiarella (D)
Sen. Kelly Gebhardt (R)
Sen. Ken (Kim) Hansen (D)
Sen. Sam Kitzenberg (R)
Sen. Glenn Roush (D)
Sen. Don Ryan (D)
Sen. Carolyn Squires (D)
Sen. Fred Thomas (R)

Members Excused: Sen. Bob Keenan (R)

Members Absent: None.

Staff Present: Sherrie Handel, Committee Secretary
Eddy McClure, Legislative Branch

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: SB 415, 2/15/2003; SB 432,
2/18/2003
Executive Action: SB 390; SB 360; SB 349; SB 432

{Tape: 1; Side: A}

HEARING ON SB 415

Sponsor: SENATOR FRED THOMAS, SD 31, BITTERROOT VALLEY

Proponents: None

Opponents: None

Opening Statement by Sponsor:

SENATOR FRED THOMAS, SD 31, BITTERROOT VALLEY, presented for the committee's consideration SB 415. He said the bill is designed to allow local golf courses the ability to get a beer and wine license. He spoke with **Mark Staples** of the **Montana Tavern Association**, who would like to amend the bill so it narrows down the scope of the bill. He just wants to allow the golf courses to have a beer and wine license for the six months they are open, but not have the bill apply broadly to any other interests.

Proponents' Testimony: None

Opponents' Testimony: None

Questions from Committee Members and Responses:

SEN. VICKI COCCHIARELLA noted that SEN. THOMAS had mentioned the amendments and asked his reaction to them. SEN. THOMAS replied that first, the guidelines need to be narrowed down; and, second, they are trying to find out specific profit or non-profit and the specific corporate status of this course so that this could be narrowly drawn to only them as well as certain course of the same status. Then it would further narrow down, and possibly, these nine holes, 2500 linear yards, two miles long, could apply to a certain legally incorporated courses versus others in general so to keep the context narrow.

SEN. KEN HANSEN discussed with the sponsor the distance from city limits.

SEN. DON RYAN asked SEN. THOMAS if, with this beer and wine license, gaming would be allowed to follow. SEN. THOMAS replied that states gaming or gambling is not authorized under the license issued under this section. SEN. RYAN followed up by asking if **Mr. Staples** mentioned any of the courses that might be affected by this bill. The sponsor replied that he did not mention any by name, but that certainly was a concern that this would be more broad.

Closing by Sponsor:

SEN. THOMAS shared that the course to which this bill refers is a 501C-3 non-profit. He was waiting for several pieces of information and the amendment would come later.

HEARING ON SB 432

Sponsor: SENATOR SHERM ANDERSON, SD 28, DEER LODGE,
speaking for SENATOR DUANE GRIMES, SD 20, CLANCY

Proponents: Jim Brown, Business Standards Division, Department
of Labor and Industry; Jan Martin, public member
of the Board of Real Estate Appraisers

Opponents: None

Informational Witnesses:

Billie Veerkamp, Department of Revenue; Brenda St.
Clair, Bureau Chief, Business Standards Division,
Department of Labor and Industry

Opening Statement by Sponsor:

SEN. SHERM ANDERSON, SD 28, DEER LODGE, introduced the bill on behalf of the sponsor, **SEN. DUANE GRIMES, SD 20, CLANCY**, who was speaking at another hearing. He said it is a bill dealing with the licensing of real estate appraisal trainees.

Proponents' Testimony:

Jim Brown, Business Standards Division, Department of Labor and Industry, shared with the committee that SB 432 is a bill to create a license category for real estate appraiser trainee licenses. The Board of Real Estate Appraisers is strongly supportive of trainee licensing. The board licenses appraisers of federally related transactions. There are currently 36 states that require this level of licensing. This bill would help insure that a real estate appraiser trainee is supervised by a certified general appraiser and receives proper training. The board anticipates that, as a result of insuring better training applicants, with the end result being fewer complaints for violations of the Uniform Standards of Professional Appraiser Practice. He stated there would need to be a coordination clause with HB 174 in the bill. He distributed a suggested amendment, **EXHIBIT (bus41a01)**, and chart showing each level of licensure, **EXHIBIT (bus41a02)** a the steps for a trainee, **EXHIBIT (bus41a03)**.

Jan Martin, public member of the Board of Real Estate Appraisers, requested favorable support of the bill.

Opponents' Testimony: None

Questions from Committee Members and Responses:

SEN. MIKE SPRAGUE questioned page 2, line 13, where it mentioned an appraiser must be of good moral character. **Mr. Brown** did not believe that was in statute. He also confirmed that to be a trainee, you don't have to take an examination. You are required to take the examination when the training period is complete.

SEN. KELLY GEBHARDT wanted to know if someone had the qualifications that they get from a self-study course, could they take the test and challenge the hours of training time. The answer was the law states that to be a licensed appraiser, there are hours of training experience required. **SEN. GEBHARDT** argued why does a person have to have experience if he has knowledge. **Ms. Martin** replied that part of becoming licensed is that you have to do appraisals to show you know what you are doing.

{Tape: 1; Side: B}

SEN. VICKI COCCHIARELLA and **Mr. Brown** conversed on Section 3 in the coordination clause of HB 174 and what it does, which is getting rid of that section and make some additional changes.

SEN. DON RYAN asked **Mr. Brown** if he knew how many people are working for the Department of Revenue but moonlighting in real estate appraisals because of their experience evaluating property, to which he answered that he had no idea.

Billie Veerkamp said, to her knowledge, there are only about 10 Department of Revenue appraisers who actually moonlight outside of their own profession.

SEN. COCCHIARELLA asked **Ms. St. Clair** how she envisioned this bill to work. **Ms. St. Clair** said it is on the web site and anybody can take the complete course of study prescribed by the board. The licensing process would be like any other where the trainees would work under a licensed appraiser.

{Tape: 2; Side: A}

CHAIRMAN DALE MAHLUM questioned **Ms. Veerkamp** about the lower interest rates we've had the last few years and wanted to know if they have more people wanting to become appraisers because there is a lot of real estate appraising going on out there. She

replied there absolutely has been more interest in the profession. Statistically, 85 percent of the appraisers in Montana are over 50 years of age, so attrition is also an issue.

Ms. Veerkamp confirmed for **SEN. SPRAGUE** that there is a difference between safety inspection and appraisal.

Closing by Sponsor:

SEN. ANDERSON hoped the committee was better educated after the hearing and addressed several issues raised by **SEN. SPRAGUE**. He then closed for **SEN. GRIMES**, the sponsor.

EXECUTIVE ACTION ON SB 432

Motion/Vote: **SEN. COCCHIARELLA** moved that SB 432 DO PASS. Motion carried 9-1 with GEBHARDT voting no.

EXECUTIVE ACTION ON SB 390

Motion/Vote: **SEN. SQUIRES** moved that SB 390 DO PASS. Motion carried 8-2 with KITZENBERG and MAHLUM voting no.

{Tape: 2; Side: B}

EXECUTIVE ACTION ON SB 360

Motion/Vote: **SEN. COCCHIARELLA** moved that SB 360 DO PASS. Motion carried 10-0.

EXECUTIVE ACTION ON SB 349

Motion: **SEN. ANDERSON** moved that SB 349 DO PASS.

Discussion: It was decided to take executive action on this bill on February 25, 2003.

ADJOURNMENT

Adjournment: 11:22 A.M.

SEN. DALE MAHLUM, Chairman

SHERRIE HANDEL, Secretary

DM/SH

EXHIBIT (bus41aad)